

JUN 11 '07

4-13PM

FLETCHER & SIPPEL LLC

ATTORNEYS AT LAW

29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832

JAMES D. HELENHOUSE
(312) 252-1501
jhelenhouse@fletcher-sippel.com

SURFACE TRANSPORTATION BOARD

Phone: (312) 252-1500
Fax: (312) 252-2400
www.fletcher-sippel.com

June 8, 2007

Via Overnight (Next Business Day) Delivery

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001
Attn: Office of Recordations

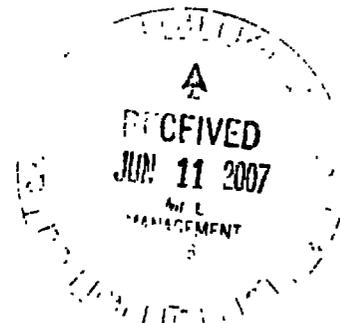
Dear Secretary Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are an original and two (2) copies of a Memorandum of Loan and Security Agreement, dated as of May 24, 2007, a primary document as defined in the Board's Rules for the Recordation of Documents, and an original and two (2) copies of the following secondary document related thereto: Memorandum of Assignment of Rents and Lessor's Interest in Leases, dated as of May 24, 2007.

The names and addresses of the parties to the enclosed documents are:

Primary: Memorandum of Loan and Security Agreement

Debtor:	ALF IV, Inc. 70 West Madison Street Suite 2080 Chicago, Illinois 60602
Secured Party:	Fifth Third Bank (Chicago) 222 South Riverside Plaza 32 nd Floor Chicago, Illinois 60606



FLETCHER & SIPPEL LLC

Mr. Vernon A. Williams
June 8, 2007
Page 2

Secondary: Memorandum of Assignment of Rents and
Lessor's Interest in Leases

Assignor: ALF IV, Inc.
70 West Madison Street
Suite 2080
Chicago, Illinois 60602

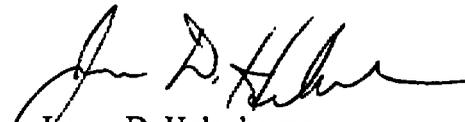
Assignee: Fifth Third Bank (Chicago)
222 South Riverside Plaza
32nd Floor
Chicago, Illinois 60606

A description of the railroad equipment is attached to each of the documents.

Also enclosed is a check in the amount of \$70.00 payable to the order of the Surface Transportation Board covering the required recordation fees.

Kindly return one stamped copy of each of the enclosed documents to the undersigned.

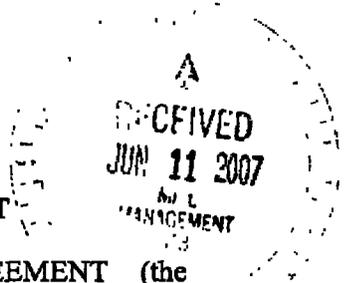
Respectfully submitted,


James D. Helenhouse
Attorney for Secured Party

Enclosures

JUN 11 '07

4-13PM



SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LOAN AND SECURITY AGREEMENT

THIS MEMORANDUM OF LOAN AND SECURITY AGREEMENT (the "Memorandum") dated as of May 24, 2007, is made by and between Fifth Third Bank (Chicago), a Michigan banking corporation, 222 South Riverside Plaza, 32nd Floor, Chicago, Illinois 60606, (the "Bank"), and ALF IV, Inc., an Illinois corporation, with its chief executive office and principal place of business at 70 West Madison, Suite 2080, Chicago, Illinois 60602 (the "Borrowers").

WHEREAS, Borrowers and Bank are parties to that certain Loan and Security Agreement ("Loan Agreement"), dated as of March May 24 2007;

1. ACCORDINGLY, pursuant to the terms of the Loan Agreement (as the same may be amended and/or restated from time to time), and to secure the payment and performance of any and all of Borrowers' obligations to the Bank, Borrowers granted to the Bank a continuing, first priority security interest in and to, and chattel mortgage lien on, all of the Borrowers' right, title and interest in and to Rolling Stock ("Collateral") more specifically identified on Exhibit A, and any Collateral acquired by Borrowers subsequent to May 24, 2007, to have and to hold all and every part of the Collateral unto the Bank, its successors and assigns, for its and their own use and benefit forever.



IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the date first above written.

WITNESS:

ALF IV, INC., an Illinois Corporation

By: _____

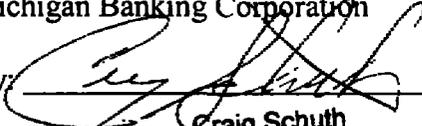
Name: _____

Title: _____

WITNESS:

FIFTH THIRD BANK (CHICAGO), a
Michigan Banking Corporation

Nancy A. Allen

By:  _____

Title: **Craig Schuth**
Vice President
Fifth Third Bank

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

On this ____ day of May, 2007, before me, a Notary Public of the County and State aforesaid, personally appeared _____ to me personally known, who being by me duly sworn, says that he is the _____ of ALF IV, Inc., an Illinois corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.

Notary Public

My Commission Expires:

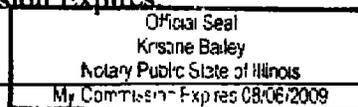
STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

On this 24th day of May, 2007, before me, a Notary Public of the County and State aforesaid, personally appeared Craig Schuth to me personally known, who being by me duly sworn, says that he is the Vice President of Fifth Third Bank (Chicago), a Michigan banking corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.

Kristine Bailey
Notary Public

My Commission Expires:



IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the date first above written.

WITNESS:



A handwritten signature in black ink, appearing to be 'ALF IV', is written over a horizontal line.

ALF IV, INC., an Illinois Corporation

By: _____

Name: Vincent A. Yegorov

Title: President

WITNESS:

FIFTH THIRD BANK (CHICAGO), a
Michigan Banking Corporation

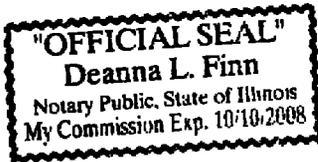
By: _____

Title: _____

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

On this 20th day of May, 2007, before me, a Notary Public of the County and State aforesaid, personally appeared VINCENT A. KOSMA to me personally known, who being by me duly sworn, says that he is the PRESIDENT of ALF IV, Inc., an Illinois corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.



Deanna L. Finn
Notary Public

My Commission Expires:

Oct. 10, 2008

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

On this ____ day of May, 2007, before me, a Notary Public of the County and State aforesaid, personally appeared _____ to me personally known, who being by me duly sworn, says that he is the _____ of Fifth Third Bank (Chicago), a Michigan banking corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.

Notary Public

My Commission Expires:

EXHIBIT A

KY-TN Clayco:

Lease:

Rider No. 42 to Car Service Contract No. 2889, dated as of March 9, 1999 (sometimes referred to herein as the "*Rider*"), between GATX Financial Corporation, successor by merger to GATX Rail Corporation f/k/a General American Transportation Corporation ("*GATX*"), as lessor, and Kentucky-Tennessee Clay Company ("*K-T*" or "*Lessee*"), as lessee, as amended by the Renewal Letter, dated March 11, 2004, between GATX and K-T, which Rider is related to and incorporates the terms of that certain Car Service Contract No. 2889, dated as of May 20, 1982 (the "*Car Service Contract*"), between GATX, as lessor, and K-T, as lessee, as amended by Amendment No. 1 to Contract No. 2889, dated as of August 9, 1994 (the Rider, collectively, together with any and all other exhibits, amendments, addenda, instruments, guarantees, and other agreements related thereto, the "*Lease*")

Description of Cars:

DOT 111-A-100-W-1 noncoiled, insulated railcars

Expiration Date: March 31, 2011

Quantity:

Twenty-five (25)

Reporting marks and identifying numbers:

	<u>Car Mark</u>	<u>Car Number</u>		<u>Car Mark</u>	<u>Car Number</u>
1	GATX	21746	17	GATX	21763
2	GATX	21747	18	GATX	21764
3	GATX	21748	19	GATX	21765
4	GATX	21750	20	GATX	21766
5	GATX	21751	21	GATX	21767
6	GATX	21752	22	GATX	21768
7	GATX	21753	23	GATX	21769
8	GATX	21754	24	GATX	21770
9	GATX	21755	25	GATX	21771
10	GATX	21756			
11	GATX	21757			
12	GATX	21758			
13	GATX	21759			
14	GATX	21760			
15	GATX	21761			
16	GATX	21762			

Dow Canada:

Lease:

Rider No. 17 to Railcar Lease Agreement 7006, dated as of June 11, 1997 (sometimes referred to herein as the "Rider"), between GATX Rail Canada Corporation (f/k/a CGTX INC.) ("GATX"), as lessor, and Dow Chemical Canada Inc. ("Dow" or "Lessee") as lessee, as amended by Amendment No. 01, dated September 10, 1997, Amendment No. 02, dated May 6, 1998, Amendment No. 03, dated August 7, 1998, Amendment No. 04, dated August 10, 1998, Amendment No. 05, dated November 24, 1998, Amendment No. 06, dated March 5, 1999, Amendment No. 07, dated April 20, 1999, Amendment No. 08, dated August 5, 1999, Amendment No. 09, dated April 6, 2001, Amendment No. 10, dated July 31, 2005, Amendment No. 11, dated April 14, 2005 and which rider relates to and incorporates the terms of that certain Railcar Lease Agreement 7006, dated May 24, 1994 (the "Master Lease Agreement"), between GATX, as lessor, and you, as lessee. (the Rider, collectively, together with any and all other exhibits, amendments, addenda, instruments, guarantees, and other agreements related thereto, the "Lease")

Description of Cars:

5,800 cu. ft. plastic pellet hopper cars

Expiration Date: July 31, 2008

Quantity:

[Two hundred ten (210)]

Reporting marks and identifying numbers:

CGLX010000	CGLX010160	CGLX010196	CGLX010226	CGLX010254	CGLX010284
CGLX010002	CGLX010162	CGLX010197	CGLX010227	CGLX010255	CGLX010285
CGLX010003	CGLX010163	CGLX010198	CGLX010229	CGLX010256	CGLX010291
CGLX010004	CGLX010164	CGLX010200	CGLX010235	CGLX010257	CGLX010292
CGLX010010	CGLX010165	CGLX010201	CGLX010236	CGLX010258	CGLX010293
CGLX010011	CGLX010167	CGLX010202	CGLX010237	CGLX010259	CGLX010294
CGLX010012	CGLX010169	CGLX010203	CGLX010238	CGLX010262	CGLX010295
CGLX010013	CGLX010171	CGLX010206	CGLX010239	CGLX010263	CGLX010296
CGLX010033	CGLX010175	CGLX010207	CGLX010240	CGLX010264	CGLX010297
CGLX010050	CGLX010176	CGLX010208	CGLX010242	CGLX010265	CGLX010299
CGLX010128	CGLX010179	CGLX010210	CGLX010243	CGLX010268	CGLX010300
CGLX010146	CGLX010180	CGLX010211	CGLX010244	CGLX010270	CGLX010303
CGLX010148	CGLX010182	CGLX010212	CGLX010245	CGLX010271	CGLX010404
CGLX010149	CGLX010183	CGLX010215	CGLX010247	CGLX010273	CGLX010405
CGLX010150	CGLX010184	CGLX010217	CGLX010248	CGLX010274	CGLX010406
CGLX010151	CGLX010187	CGLX010218	CGLX010249	CGLX010276	CGLX010407
CGLX010152	CGLX010188	CGLX010220	CGLX010250	CGLX010277	CGLX010408
CGLX010153	CGLX010189	CGLX010222	CGLX010251	CGLX010280	CGLX010409

CGLX010155	CGLX010191	CGLX010224	CGLX010252	CGLX010281	CGLX010611
CGLX010159	CGLX010194	CGLX010225	CGLX010253	CGLX010282	CGLX580001

CGLX580002	CGLX580036	CGLX580072	CGLX580111	CGLX580170
CGLX580004	CGLX580037	CGLX580073	CGLX580112	CGLX580172
CGLX580006	CGLX580038	CGLX580074	CGLX580113	CGLX580245
CGLX580008	CGLX580039	CGLX580076	CGLX580114	CGLX580247
CGLX580010	CGLX580040	CGLX580077	CGLX580115	CGLX580248
CGLX580014	CGLX580041	CGLX580082	CGLX580117	CGLX580249
CGLX580015	CGLX580045	CGLX580083	CGLX580118	CGLX580250
CGLX580016	CGLX580047	CGLX580084	CGLX580119	CGLX580251
CGLX580017	CGLX580052	CGLX580087	CGLX580120	CGLX580252
CGLX580019	CGLX580053	CGLX580089	CGLX580121	CGLX580253
CGLX580021	CGLX580054	CGLX580092	CGLX580123	
CGLX580023	CGLX580055	CGLX580093	CGLX580125	
CGLX580024	CGLX580057	CGLX580095	CGLX580126	
CGLX580025	CGLX580059	CGLX580096	CGLX580162	
CGLX580026	CGLX580060	CGLX580097	CGLX580163	
CGLX580028	CGLX580061	CGLX580099	CGLX580165	
CGLX580031	CGLX580062	CGLX580101	CGLX580166	
CGLX580032	CGLX580064	CGLX580104	CGLX580167	
CGLX580033	CGLX580068	CGLX580106	CGLX580168	
CGLX580034	CGLX580069	CGLX580108	CGLX580169	

KCS:

Description of Cars: Eighty-Nine (89) covered hopper cars

Markings of Cars: Within KCS 309500-309594 as follows:

309500	309514	309527	309540	309553	309568	309583
309501	309515	309528	309541	309554	309569	309585
309502	309516	309529	309542	309555	309570	309586
309503	309517	309530	309543	309556	309572	309587
309505	309518	309531	309544	309557	309573	309588
309506	309519	309532	309545	309558	309574	309589
309507	309520	309533	309546	309559	309575	309590
309508	309521	309534	309547	309561	309576	309591
309509	309522	309535	309548	309563	309577	309592
309510	309523	309536	309549	309564	309579	309593
309511	309524	309537	309550	309565	309580	309594
309512	309525	309538	309551	309566	309581	
309513	309526	309539	309552	309567	309582	

Lessee: Kansas City Southern Railway Company

Description of Lease: Master Lease Agreement between ALF IV, Inc., as assignee of Residual Based Finance Corporation, Lessor, and The Kansas City Southern Railway Company, Lessee, dated March 1, 2002 and Rider Two, dated May 1, 2005.

Expiration Date: March 30, 2011